



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB2474

Introduced 2/4/2025, by Rep. Amy Elik

SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-144

from Ch. 108 1/2, par. 7-144

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code. In a provision concerning suspensions of retirement annuities during employment with a participating employer, provides that, until January 1, 2030, an annuitant receiving an annuity under the sheriff's law enforcement employees provisions shall be considered a participating employee if the annuitant returns to work as a school security guard or school resource officer employed by a participating employer and works more than 1,000 hours annually. Effective immediately.

LRB104 06357 RPS 16393 b

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by
5 changing Section 7-144 as follows:

6 (40 ILCS 5/7-144) (from Ch. 108 1/2, par. 7-144)

7 Sec. 7-144. Retirement annuities; suspended during
8 employment.

9 (a) If any person receiving any annuity again becomes an
10 employee and receives earnings from employment in a position
11 requiring him, or entitling him to elect, to become a
12 participating employee, then the annuity payable to such
13 employee shall be suspended as of the first day of the month
14 coincidental with or next following the date upon which such
15 person becomes such an employee, unless the person is
16 authorized under subsection (b) of Section 7-137.1 of this
17 Code to continue receiving a retirement annuity during that
18 period. Upon proper qualification of the participating
19 employee payment of such annuity may be resumed on the first
20 day of the month following such qualification and upon proper
21 application therefor. The participating employee in such case
22 shall be entitled to a supplemental annuity arising from
23 service and credits earned subsequent to such re-entry as a

1 participating employee.

2 Notwithstanding any other provision of this Article, an
3 annuitant shall be considered a participating employee if he
4 or she returns to work as an employee with a participating
5 employer and works more than 599 hours annually (or 999 hours
6 annually with a participating employer that has adopted a
7 resolution pursuant to subsection (e) of Section 7-137 of this
8 Code). Each of these annual periods shall commence on the
9 month and day upon which the annuitant is first employed with
10 the participating employer following the effective date of the
11 annuity.

12 Notwithstanding any other provision of this Article, until
13 January 1, 2030, an annuitant receiving an annuity under
14 Section 7-142.1 shall be considered a participating employee
15 if the annuitant returns to work as a school security guard or
16 school resource officer employed by a participating employer
17 and works more than 1,000 hours annually.

18 (a-5) If any annuitant under this Article must be
19 considered a participating employee per the provisions of
20 subsection (a) of this Section, and the participating
21 municipality or participating instrumentality that employs or
22 re-employs that annuitant knowingly fails to notify the Board
23 to suspend the annuity, the participating municipality or
24 participating instrumentality may be required to reimburse the
25 Fund for an amount up to one-half of the total of any annuity
26 payments made to the annuitant after the date the annuity

1 should have been suspended, as determined by the Board. In no
2 case shall the total amount repaid by the annuitant plus any
3 amount reimbursed by the employer to the Fund be more than the
4 total of all annuity payments made to the annuitant after the
5 date the annuity should have been suspended. This subsection
6 shall not apply if the annuitant returned to work for the
7 employer for less than 12 months.

8 The Fund shall notify all annuitants that they must notify
9 the Fund immediately if they return to work for any
10 participating employer. The notification by the Fund shall
11 occur upon retirement and no less than annually thereafter in
12 a format determined by the Fund. The Fund shall also develop
13 and maintain a system to track annuitants who have returned to
14 work and notify the participating employer and annuitant at
15 least annually of the limitations on returning to work under
16 this Section.

17 (b) Supplemental annuities to persons who return to
18 service for less than 48 months shall be computed under the
19 provisions of Sections 7-141, 7-142, and 7-143. In determining
20 whether an employee is eligible for an annuity which requires
21 a minimum period of service, his entire period of service
22 shall be taken into consideration but the supplemental annuity
23 shall be based on earnings and service in the supplemental
24 period only. The effective date of the suspended and
25 supplemental annuity for the purpose of increases after
26 retirement shall be considered to be the effective date of the

1 suspended annuity.

2 (c) Supplemental annuities to persons who return to
3 service for 48 months or more shall be a monthly amount
4 determined as follows:

5 (1) An amount shall be computed under subparagraph b
6 of paragraph (1) of subsection (a) of Section 7-142,
7 considering all of the service credits of the employee.

8 (2) The actuarial value in monthly payments for life
9 of the annuity payments made before suspension shall be
10 determined and subtracted from the amount determined in
11 paragraph (1) above.

12 (3) The monthly amount of the suspended annuity, with
13 any applicable increases after retirement computed from
14 the effective date to the date of reinstatement, shall be
15 subtracted from the amount determined in paragraph (2)
16 above and the remainder shall be the amount of the
17 supplemental annuity provided that this amount shall not
18 be less than the amount computed under subsection (b) of
19 this Section.

20 (4) The suspended annuity shall be reinstated at an
21 amount including any increases after retirement from the
22 effective date to date of reinstatement.

23 (5) The effective date of the combined suspended and
24 supplemental annuities for the purposes of increases after
25 retirement shall be considered to be the effective date of
26 the supplemental annuity.

1 (d) If a Tier 2 regular employee becomes a member or
2 participant under any other system or fund created by this
3 Code and is employed on a full-time basis, except for those
4 members or participants exempted from the provisions of
5 subsection (a) of Section 1-160 of this Code (other than a
6 participating employee under this Article), then the person's
7 retirement annuity shall be suspended during that employment.
8 Upon termination of that employment, the person's retirement
9 annuity shall resume and be recalculated as required by this
10 Section.

11 (e) If a Tier 2 regular employee first began participation
12 on or after January 1, 2012 and is receiving a retirement
13 annuity and accepts on a contractual basis a position to
14 provide services to a governmental entity from which he or she
15 has retired, then that person's annuity or retirement pension
16 shall be suspended during that contractual service,
17 notwithstanding the provisions of any other Section in this
18 Article. Such annuitant shall notify the Fund, as well as his
19 or her contractual employer, of his or her retirement status
20 before accepting contractual employment. A person who fails to
21 submit such notification shall be guilty of a Class A
22 misdemeanor and required to pay a fine of \$1,000. Upon
23 termination of that contractual employment, the person's
24 retirement annuity shall resume and be recalculated as
25 required by this Section.

26 (Source: P.A. 102-210, eff. 1-1-22; 103-154, eff. 6-30-23.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.